Response of Wisconsin Power and Light Company to

The Public Service Commission of Wisconsin Data Request No. 1.24

Docket Number: 05-CE-137

Date of Request: January 29, 2009

Information Requested By: Ken Detmer

Date Responded: February 16, 2008

Author: Eric Guelker

Author's Title: Mgr Environmental Services

Author's Telephone No.: (608) 458-8163

Witness: (If other than Author)

Data Request No. 1.24:

Provide the current and expected market price and escalation for NO_x, SO_x, and Hg (if available) allowances. Provide the source and date of this information.

Response:

Current market prices provided in this summary are the mid-point of the bid and ask from the ICAP Trade Recap dated February 6, 2009. Forecasting the expected market price and escalation for emission allowances is extremely difficult at present due to the significant uncertainty that exists regarding the future role of emission allowances for complying with the Clean Air Interstate Rule (CAIR). Due to this uncertainty, WPL is unable to provide a forecast of the expected market price and escalation at this time.

Nitrogen Oxides (NOx)

As of Friday, February 6, 2009, current price for 2009 NOx annual and ozone season allowances was \$2,913/ton and \$638/ton, respectively. This equates to an annual only equivalent ("blended") allowance price of \$3,213/ton.

Sulfur Dioxide (SO2)

As of Friday, February 6, 2009, the spot allowance price for SO2 was \$105 per ton.

Mercury (Hg)

No functioning mercury allowance markets exist and no pricing data is available.